

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 255-01  
Bill No.: HB 636  
Subject: Education, Higher; Higher Education Dept.; Military Affairs  
Type: Original  
Date: February 20, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
General Revenue *	(\$3,541,086 to \$5,802,390)	(\$7,150,118 to \$11,808,405)	(\$7,364,099 to \$11,812,636)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$3,541,086 to \$5,802,390)</b>	<b>(\$7,150,118 to \$11,808,405)</b>	<b>(\$7,364,099 to \$11,812,636)</b>

**\* SUBJECT TO APPROPRIATIONS**

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Higher Education** assume this proposal would have no fiscal impact on their agency.

Officials from the **Department of Public Safety - Office of the Adjutant General (OAG)** assume this proposal would expand the existing Missouri National Guard Educational Assistance Program law by making members of the Army Reserve, Air Force Reserve, Navy Reserve, Marine Reserve, Coast Guard Reserve, and the United States Public Health Service Reserve eligible for Missouri state funded educational assistance.

If approved, this bill would increase eligibility for educational assistance by approximately 14,000 U.S. reservists (based on the authorized strength of reserve forces located in Missouri). This proposal would also make reservists serving in reserve units outside Missouri who attend approved Missouri educational institutions eligible to receive Missouri state funded tuition assistance. Members of the U.S. reserve forces are not under the control of the state Adjutant General's office and are not subject to call up by the Governor for state emergency duty in times of state disaster and/or local emergencies.

The OAG assumes four additional staff and related equipment and expense would be required to implement this proposal. The OAG estimated the cost of educational assistance payments assuming that 11,024 or 79% of the 13,954 reservists would be eligible for educational assistance, and that between 15% (1,654 reservists) and 25% (2,756 reservists) of eligible reservists would participate in the program.

**Oversight** has adjusted the cost amounts estimated by the OAG in accordance with Office of Administration guidelines, and has eliminated the amounts estimated by the OAG for a copier, laptop computer, and fax machine due to the limited number of new staff involved. Oversight has also limited the first year estimated cost to one semester's tuition and fees since the effective date of the proposal would presumably not allow enrollment for two semesters. Oversight assumes the participation level can not be estimated in advance, but agrees that it may range from 15% to 25% as indicated by the OAG. Oversight has ranged the expected cost of educational benefits based on these potential participation rates. A higher participation rate would further increase costs. Oversight notes that the program is subject to appropriations and benefits may be prorated to no less than fifty percent of the limits otherwise provided in the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Office of the Adjutant General *</u>			
Personal Service	(\$78,950)	(\$109,175)	(\$111,904)
Fringe Benefits	(\$25,335)	(\$32,407)	(\$33,155)
Equipment	(\$31,760)	(\$660)	(\$660)
Expense	(\$11,033)	(\$16,220)	(\$16,974)
Tuition and fees **	(\$3,394,008 to \$5,655,312)	(\$6,991,656 to \$11,649,943)	(\$7,201,406 to \$11,649,943)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$3,541,086 to \$5,802,390)</u></b>	<b><u>(\$7,150,118 to \$11,808,405)</u></b>	<b><u>(\$7,364,099 to \$11,812,636)</u></b>

\*\* estimated at from 1,654 to 2,756  
 eligible reservists reimbursed for up to  
 30 semester hours per year at  
 University of Missouri-Columbia  
 hourly rate.

**\*SUBJECT TO APPROPRIATIONS**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## DESCRIPTION

This proposal would expand the existing Missouri National Guard Educational Assistance Program by making members of the Army Reserve, Air Force Reserve, Navy Reserve, Marine Reserve, Coast Guard Reserve, and the United States Public Health Service Reserve eligible for Missouri state funded educational assistance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Higher Education

Department of Public Safety - Office of the Adjutant General



Jeanne Jarrett, CPA  
Director  
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